

Exhibit M

1 UNITED STATES DISTRICT COURT
 2 SOUTHERN DISTRICT OF NEW YORK

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4 FEDERAL HOUSING FINANCE)
 AGENCY, etc.,)

5 Plaintiff,)

6 v.)

7 UBS AMERICAS, INC.,)11 Civ. 5201 (DLC)
 et al.,)

8 JPMORGAN CHASE & CO.,)11 Civ. 6188 (DLC)
 et al.,)

9 HSBC NORTH AMERICA)11 Civ. 6189 (DLC)
 HOLDINGS, INC. et al.,)

10 BARCLAYS BANK PLC, et al.,)11 Civ. 6190 (DLC)

DEUTSCHE BANK AG, et al.,)11 Civ. 6192 (DLC)

11 FIRST HORIZON NATIONAL)11 Civ. 6193 (DLC)

CORP., et al.,)

12 BANK OF AMERICA CORP., et al.,)11 Civ. 6195 (DLC)

GOLDMAN, SACHS & CO., et al.,)11 Civ. 6198 (DLC)

13 CREDIT SUISSE HOLDINGS (USA),)11 Civ. 6200 (DLC)

INC., et al.,)

14 NOMURA HOLDING AMERICA, INC.,)11 Civ. 6201 (DLC)

et al.,)

15 MERRILL LYNCH & CO., INC.,)11 Civ. 6202 (DLC)

et al.,)

16 SG AMERICAS, INC., et al.,)11 Civ. 6203 (DLC)

MORGAN STANLEY, et al.,)11 Civ. 6739 (DLC)

17 ALLY FINANCIAL INC., et al.,)11 Civ. 7010 (DLC)

Defendants.)

18 -----)

19 ADOLPHUS HOTEL
 1321 Commerce Street
 20 Dallas, Texas 75202
 Century Room A
 21 June 27, 2013
 7:11 A.M.

22
 23 VIDEOTAPED DEPOSITION OF
 DAVID HACKNEY
 24 Volume 1

25 REPORTED BY:
 WILLIAM M. FREDERICKS, CSR FOR THE STATE OF TEXAS

1 times the dealer was always trying to talk it up to
2 get you to pay more and you were trying to pay less.
3 So --

4 A. I didn't take it personally. They did it
5 with everybody.

6 Q. I -- I understand. I understand.

7 So you and you would expect other
8 purchasers of non-agency mortgage-backed
9 securities had a healthy skepticism of what dealers
10 were telling you about their deals?

11 MR. OBLAK: Objection to form.

12 A. No. I had to take what they produced as
13 factual.

14 Q. (BY MR. SACCA) But you understood, I thought
15 you said, that they were trying to talk it up to you?

16 MR. OBLAK: Objection to form.

17 A. They would try to talk up, My stuff has
18 traded in the market so well, the market is
19 tightening, I've got a hundred people lined up to buy
20 this deal, and I called you.

21 Q. (BY MR. SACCA) Okay. And --

22 A. That's generally how that conversation would
23 start.

24 Q. When they told you that they had a hundred
25 people lined up but called you first, would you

1 believe them?

2 MR. OBLAK: Objection to the form.

3 A. That was their -- their comment to me.

4 Q. (BY MR. SACCA) Right. But did you take that
5 at face value?

6 MR. OBLAK: Objection to form.

7 A. I had to take -- take it at what they said.

8 Q. (BY MR. SACCA) So were you motivated to buy
9 deals because you were worried that if you didn't
10 someone else would?

11 A. No.

12 Q. What about Fannie Mae? Were you concerned
13 with the number of and volume of deals Fannie Mae was
14 transacting in the non-agency mortgage-backed side?

15 MR. OBLAK: Objection to form.

16 A. We were natural competitors. That's why
17 Freddie Mac was started.

18 Q. (BY MR. SACCA) And you were competing for
19 the same pool of goal-eligible loans, right?

20 MR. OBLAK: Objection to form.

21 A. I wasn't competing for goal-eligible loans.

22 Q. (BY MR. SACCA) Freddie Mac was?

23 MR. OBLAK: Same objection.

24 A. I don't know if -- if you could even say
25 Freddie Mac was. We -- we scored those loans, but to

1 say that I was out competing for loans in that way,
2 no.

3 Q. (BY MR. SACCA) Were you cognizant of the
4 volume that Fannie Mae was transacting?

5 MR. OBLAK: Objection to form.

6 A. I didn't know to -- I couldn't tell you
7 accurately how much volume they had transacted. Did I
8 know they were in the market? Yes.

9 Q. (BY MR. SACCA) Were there occasions on which
10 you lost deals to Fannie Mae?

11 A. Yes.

12 Q. At what stage in your purchase of a
13 non-agency mortgage-backed security would Freddie Mac
14 receive a prospectus supplement?

15 A. Before the -- before the actual purchase.

16 Q. And when you say "the actual purchase,"
17 what -- what are you talking about?

18 A. Where you're actually committing dollars and
19 you do a, what would be considered a live trade.

20 Q. Is that the settlement date?

21 A. No.

22 Q. Is it the trade date?

23 A. The trade date.

24 Q. Okay. And that precedes the settlement date?

25 A. Yes.

1 Q. Okay. And who at Freddie Mac would receive a
2 prospectus supplement?

3 A. I would.

4 Q. And --

5 A. Or whoever was doing the -- the trade. It
6 could be Mike or myself.

7 Q. Was it a requirement for you to enter into a
8 trade that you had received a prospectus supplement?

9 MR. OBLAK: Objection to form.

10 A. Can you repeat that.

11 Q. (BY MR. SACCA) Was it a requirement for you
12 to enter into a trade that you have received the
13 prospectus supplement?

14 A. No.

15 Q. Okay. That was your practice?

16 MR. OBLAK: Objection to form.

17 A. Practice? I don't understand the question.

18 Q. (BY MR. SACCA) Your personal practice was to
19 receive the prospectus supplement before you committed
20 to a trade?

21 MR. OBLAK: Objection to form.

22 A. We would tentatively say we are interested in
23 a transaction based on preliminary information. We
24 would receive a prospectus -- preliminary prospectus
25 before the trade. It would be reviewed and compared

1 to what was shown to us when we said we would be
2 interested in the trade. If it was different, I would
3 not be committed to transact.

4 Q. (BY MR. SACCA) The preliminary prospectus,
5 are you talking about a free writing prospectus?

6 A. Define "free writing."

7 Q. Well, I'd rather have you tell me what --
8 what it was that you got.

9 The preliminary prospectus, describe it
10 for me.

11 MR. OBLAK: Objection to form.

12 A. The final prospectus is something that you
13 would receive after the transaction because invariably
14 you may have, if you were on the dealer side, a loan
15 fall out, thereby you need to refresh your information
16 as of that date so it's a final. So you're going to
17 receive that after.

18 The preliminary or -- and I don't know
19 whether I'm going to misuse the word, but you brought
20 up --

21 Q. (BY MR. SACCA) I -- I don't want you to
22 adopt my term.

23 A. Okay. I would receive a packet of
24 information that was a reduced version of what the
25 final prospectus would be, but it had a lot of the --

1 let's just say the legalese language in there. It
2 would describe the waterfall structure; it would have
3 the collateral stratification breakouts in that.

4 And from that collateral stratification,
5 that would be reviewed and compared to what -- the
6 initial collateral stratification that was sent by the
7 dealer into our desk, whether that was substantially
8 and materially the same; and if it was not, then there
9 may not be a transaction.

10 Q. And who was it that made the comparison to
11 determine whether the collateral described in the
12 document you're talking about now was substantially
13 and materially the same as the initial collateral
14 stratification?

15 A. Generally the person that reviewed the first
16 one.

17 Q. Okay. So you or someone else on your desk?

18 A. (No audible response.)

19 THE REPORTER: "Yes"?

20 A. Yes.

21 Q. (BY MR. SACCA) How -- this document you're
22 describing that you would receive from a dealer, how
23 thick was it?

24 MR. OBLAK: Objection to form.

25 A. I don't remember how many pages it was. It

1 was electronic.

2 Q. (BY MR. SACCA) Was it hundreds of pages?

3 A. I don't recall.

4 Q. And you described some of its content as
5 legalese. What -- what did you mean by that?

6 A. I'd have -- I'd have to see one, but it
7 wouldn't -- it would be the non-analytical, is a
8 better way to maybe say it. So it was something that
9 was written by the legal area and not by a structured
10 finance person.

11 Q. And you would make use of the analytical part
12 of it?

13 MR. OBLAK: Objection to form.

14 A. I would make use of the analytical. Also
15 some of the -- anything that related to the waterfall
16 structure.

17 Q. (BY MR. SACCA) Did Aaron Pas work in your
18 group?

19 A. He did.

20 Q. And when was he in your group?

21 A. He was in my group the entire time I was
22 there.

23 Q. And what was his job?

24 A. He was also an analyst. Helped with
25 waterfall structures.

1 I -- are we looking at the same thing?

2 A. I don't think so.

3 Q. 3719?

4 A. I'm looking at this (indicating).

5 Q. That's 3718.

6 A. So which one are we --

7 Q. I went out of order.

8 A. Oh, 19. All right.

9 Q. 3719.

10 A. Okay.

11 Q. Is an e-mail dated November 6 (sic) with
12 Freddie Mac investment requirements, right?

13 A. This is the reps.

14 Q. These are the reps?

15 A. And that's why it's specific. It says "Reps"
16 (indicating).

17 Q. Can you explain a little bit what you mean by
18 "reps"?

19 A. This is something that we -- we sent out
20 pre-trade that anybody selling to us needed to
21 acknowledge that they received these reps, and this
22 is -- and I don't recognize which part is different,
23 but somebody had the question Goldman wanted slightly
24 different language. This is where that language would
25 be.

1 Q. Got it. All right. And then -- now let's
2 look at 3718.

3 A. Okay.

4 Q. And this looks like a -- the top -- top
5 document at least looks -- is a trade ticket, right?

6 A. Right.

7 Q. And your name is on it?

8 A. Uh-huh.

9 Q. And it says the trade date is November 16,
10 right, 2006?

11 A. Correct.

12 Q. Okay. So all the e-mail traffic that we
13 looked at before in the prior exhibits from -- 3715,
14 16, 3717 and 3719 were from the dates November 15 and
15 16, right?

16 A. Other than this one was the 16th too
17 (indicating).

18 Q. Right. And then the trade ticket indicates
19 that the trade date is November 16, right?

20 A. Yes.

21 Q. So most of the activity in this transaction
22 occurred on those two days, November 16 and 15,
23 correct?

24 MR. OBLAK: Objection to form.

25 A. No.

1 Q. (BY MR. HARSCH) What other --

2 A. That --

3 Q. -- activity would have occurred?

4 A. That would be incorrect. Mission may have
5 received a loan tape prior to this. The credit
6 approval from the Credit Department is issued on the
7 15th. I don't know when they started working on it.

8 Q. Okay.

9 A. This is just their approval. They're --
10 they're done with it saying, I've done all my work.
11 I don't know when they started it.

12 Q. All right. So the -- the trade date, what
13 occurs on the trade date?

14 A. The trade date is -- is an actual firm
15 commitment now. You've committed money. We have
16 agreed I'm going to pay; you're going to sell.

17 Q. I see. And you said that's a firm
18 commitment?

19 A. Yeah.

20 Q. And down at the bottom of the -- the trade
21 ticket, it says "Entry Date, November 16th." So you
22 would enter this on the date of the trade date, right?

23 A. That's correct.

24 Q. On the date that Freddie Mac makes the firm
25 commitment, right?

1 A. That's correct.

2 Q. Okay. And is it then what you were saying
3 before, when you became less involved in the process
4 and sort of handed it off to the settlement and
5 closing people, that would be after this trade date,
6 right?

7 MR. OBLAK: Objection to form.

8 A. That would be after -- after this is entered.
9 So as soon as I entered it, that said this is -- this
10 is the final trade. There was a couple preliminary
11 steps just before this is -- this is printed that you
12 fill out some things. But, yeah, as -- as soon as I
13 hit go, yeah. Then back-office settlement people are
14 involved.

15 Q. (BY MR. HARSCH) Okay. So -- but the go date
16 for purposes of this trade ticket is the November 16,
17 0 -- '06, right?

18 A. Yeah.

19 Q. Okay. And that's the date that the
20 back-office settlement people then would handle the
21 transaction, right?

22 A. That's when they would --

23 MR. OBLAK: Objection to form.

24 A. That's when they would contact Goldman Sachs,
25 for instance, on this trade --

1 Q. (BY MR. HARSCH) Uh-huh.

2 A. -- and start confirming all the different
3 settlement dates.

4 Q. Okay. But -- but your involvement, unless
5 there was some unusual issue, ceased as of the trade
6 date, generally?

7 MR. OBLAK: Objection to form.

8 A. Well, my involvement would be I would own
9 this, so I'm involved until I either no longer work
10 there or the deal matured.

11 Q. (BY MR. HARSCH) But by November 16, 2006,
12 you had made a firm commitment to go forward with the
13 trade, right?

14 MR. OBLAK: Objection to form.

15 A. Correct. As of -- as of the time that this
16 is executed, I have committed the firm to spending
17 this dollar amount.

18 Q. (BY MR. HARSCH) Okay. Now, would you go
19 back, please, to 3714. It's the prospectus
20 supplement.

21 A. Uh-huh.

22 Q. The date of this prospectus supplement is
23 December 5, 2006, right?

24 A. Uh-huh.

25 Q. So you would have received this after Freddie

1 Mac had already made a firm commitment to the trade,
2 right?

3 A. That's correct.

4 Q. All right. Is there anything in this
5 prospectus supplement that you would have received
6 after the trade date that you would have looked at in
7 connection with this deal?

8 MR. OBLAK: Objection to form.

9 A. On this particular transaction, I don't know
10 whether I did. I may have gone back to look at what
11 was published for the collateral and that waterfall
12 structure.

13 Q. (BY MR. HARSCH) All right. Is there
14 anything else in a prospectus supplement like this
15 that you would have reviewed after the trade date?

16 MR. OBLAK: Objection to form.

17 A. I specifically would have reviewed?

18 Q. (BY MR. HARSCH) Yeah.

19 A. Not necessarily. Freddie Mac would have
20 reviewed, yes.

21 Q. Okay. So in these prospectus supplements, if
22 you reviewed them, you would have looked at the -- the
23 collateral strat and the waterfall, and others at
24 Freddie Mac would have looked at the other portions of
25 the prospectus supplement, correct?